



# ST. CHARLES PARISH

## DEPARTMENT OF FINANCE

P.O. BOX 302 • HAHNVILLE, LOUISIANA 70057

(985) 783-5000 • Fax: (985) 783-2187

Website: [www.stcharlesparish-la.gov](http://www.stcharlesparish-la.gov) • Email: [finance@stcharlesgov.net](mailto:finance@stcharlesgov.net)

V.J. ST. PIERRE, JR.  
PARISH PRESIDENT

GRANT M. DUSSOM, CPA  
DIRECTOR

DATE: January 31, 2013

TO: V.J. ST. PIERRE, JR.,  
PARISH PRESIDENT

FROM: GRANT M. DUSSOM, CPA  
FINANCE DIRECTOR

SUBJECT: 2012 ANNUAL REPORT

Presented herein is a complete operating report on the affairs of the Department of Finance for the fiscal year 2012.

During 2012, three crucial positions were required to be filled. In August of 2012, my Payroll Technician, Kim Boudreaux decided to move over to RSVP as the new coordinator, thus I was required to fill one of my most challenging payroll positions. Fortunately for us, Kristy Meyer, an Accounting Clerk II at the time, was up to the challenge and this took over as Payroll Technician II. Kristy has done a fantastic job and will continue to excel in this area. With Kristy advancing, her job in turn was open, which has now given Kristi Bernard, an accountant from the St. Charles Parish School Board, who is adapting very well to the position. One final hurdle remained though due to the fact that in early 2013, Ellen Cancienne, who was been with the department for nearly 33 years will be retiring leaving a tremendous void in the department. After an extensive search, the Finance department has hired Lauren Pilie' as her replacement, whom will now have time to spend with Ellen prior to her retirement. Once Lauren is trained, and with the trainings for each position still in progress, I feel that the Finance Department is at full operating capacity and it is as strong as it has ever been. This strength in part stems from the knowledge and dedication of J. Charles Oubre III and Ellen Cancienne, each with over 25 years experience in the Finance Department and given the influx of a younger generation into this Department, the knowledge that has been and will continue to be bestowed upon them from Mr. Oubre and Ms. Cancienne will indeed solidify the excellence and integrity of this department for years to come.

Sales taxes totaled \$38.6 million, an increase of approximately \$8.9 million from 2011. This of course is positive news especially when considering the large decreases we witnessed in 2009 and 2010. The Sales tax collection agent for the Parish estimates that the mini trend of increases witnessed from 2005 through 2008 will not be witnessed in the coming years, but recent plant expansions by Valero and Shell Motiva, will provide temporary increases in our Sales tax collections as witnessed in 2012, with nearly the same amount estimated for 2013, but again these increases too cannot be relied on in perpetuity as these are onetime events, and as such, any additional monies collected as a result of these expansions will be dedicated to capital projects versus the general maintenance and operation of the Parish. As the plant expansions slow down though, as well as the current recession in which the U.S. economy is witnessing, Sales taxes could begin to decrease again in 2014 and thereafter. This trend must continually be monitored as it inhibits the Parish's ability to complete capital projects. The increases witnessed in the past have allowed the Parish to pursue large Capital projects, specifically in the Roads and Drainage budget as well as allowed transfers from the General Fund to Recreation and Wastewater for projects. With the current state of the National economy though, such projects for the future will need to be delayed unless future spikes in tax revenue occur or alternate funding sources can be located. Below is a chart showing the history of Sales tax collections for the past 10 years.

**ST CHARLES PARISH  
HISTORY OF SALES TAX COLLECTIONS**

Year	Collections	% Change
2002	Actual 18,046,778	
2003	18,043,802	-0.02%
2004	20,304,469	11.13%
2005	24,488,947	17.09%
2006	28,935,942	15.37%
2007	29,571,280	2.15%
2008	32,221,464	8.22%
2009	29,980,632	-7.47%
2010	27,745,957	-8.05%
2011	29,692,959	6.56%
2012	38,599,469	23.07%

The Parish's portion of ad valorem tax collections of \$23.7 million was moderately higher than that of 2011, which is a definite positive for the Parish. After the slight dip in Ad Valorem collections witnessed in 2010 caused from inventory changes with several of the large chemical plants within the Parish, it appears that property taxes have indeed stabilized, and as 2012 was a reassessment year, coupled with the fact that the Parish was successfully able to roll our Recreation, Road Maintenance and Mosquito Control Millages forward, while rolling back/lowering our Sewer Bond millage as a result of a successful refunding of the bonds for which it represents, passing a direct savings of over \$600,000 to the tax payers of St. Charles Parish, 2012 was indeed a positive year for Ad Valorem, which given the current state of the US economy is definite plus for our Parish. Going forward, it is my feeling that ad valorem taxes will continue to increase slightly each year around the 2% to 3% range, barring any unforeseen circumstances,

but naturally we won't again witness the increases that occurred shortly after hurricane Katrina. Below is a chart showing the history Ad Valorem tax collections for the past 10 years.

### HISTORY OF AD VALOREM TAX COLLECTIONS

Year		Collections	% Change
2002	Actual	17,169,308	
2003		17,225,420	0.33%
2004		17,011,703	-1.26%
2005		17,619,869	3.45%
2006		17,789,328	0.95%
2007		18,978,482	6.27%
2008		20,524,245	7.53%
2009		21,457,700	4.35%
2010		21,440,223	-0.08%
2011		22,138,137	3.15%
2012		23,765,761	6.85%

The Wastewater fund is still operating at a loss. While this is primarily due to depreciation of existing plant and equipment, the department is not funded at a level to prepare for future capital outlay. During 2010, we received approval of a \$6.5 million loan at .95% interest from the Department of Environmental Quality which will be used for capital outlay for the Wastewater Department, primarily on the two Sewer Treatment Plants, as well as vital upgrades to seven priority lift stations. As this loan will be repaid from the General Fund, the General Fund will therefore no longer supplement the Wastewater Department for additional capital outlay until the projects associated with the loan are completed. To date, in 2012, the Wastewater Department has currently utilized over \$4.6 million for the much needed improvements to the system and is anticipating utilizing the remaining \$1.9 million in 2013 to complete the projects.

The first official action beginning the 2013 budget process began in June of 2012. Memorandums were sent to department directors setting meeting dates to draft proposed budgets for each department for 2013. The process was concluded some eight months later with the budget being adopted. This concluded a period of intensive work by the Department of Finance as well other Parish Departments that produced a budget document that will serve as a financial management tool for the Parish President, the Parish Council and the Parish Departments during fiscal year 2013.

The fixed asset system currently tracks 11,829 items with a cost (including infrastructure) of \$392 million. The system is used for financial reporting and inventory control.

The public records control and retention program was initiated by the Department of Finance in 1983. Since the program was initiated, a total of 7,078,786 documents have been stored on microfilm with significant savings being realized in the cost of storage of the public documents.

## 2012 STATISTICAL INFORMATION

Total Gross Payroll Disbursements	\$23,283,564
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Total Payroll Checks Issued	15,429
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Total Other Disbursements from Parish Funds	\$89,145,080
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Total Other Checks Issued from Parish Funds	11,221
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A handwritten signature in black ink, appearing to read 'Grant M. Dussom', followed by a horizontal line and the letters 'CPA'.

Grant M. Dussom, CPA